

AB 2149

SDI Option for State Employees

Sponsor: California State Employees Association

BACKGROUND

Existing law provides for the partial compensation, in a specified amount, for the wage loss suffered by eligible individuals unemployed because of sickness or injury, from the Unemployment Compensation Disability Fund, a special fund in the State Treasury that is continuously appropriated for these purposes.

Under current law, SDI provides partial wage replacement benefits to workers unable to perform their jobs due to pregnancy, illness or injuries that occur away from the work site. SDI is financed by a payroll tax on employees.

SDI covers most employees throughout the state, with the significant exception being state civil service employees, CSU employees and legislative employees. The weekly benefits replace 55% of base period earnings, up to a weekly maximum of \$490. Under existing law, state, CSU, and legislative employees are covered by NDI. The NDI program was created in 1976 and the formula for establishing weekly benefits was tied to the average state employee's salary at the time. Since 1976, NDI weekly benefits have been increased once, at \$10 per week. The weekly maximum benefit under NDI is \$135. Unlike SDI, however, NDI benefits are taxed as income. Moreover, unlike SDI benefits, which have a duration period of 52 weeks, NDI benefits are available for only 26 weeks.

Why is this bill needed? CSEA argues that this would simply allow state workers, California legislative employees, and CSU employees to negotiate out of the NDI program and into the non-taxed SDI program when bargaining for a new contract.

SPECIFIC PROVISIONS OF AB 2149

This bill would permit the state, the Trustees of the California State University, and the Joint Rules Committee of the Legislature to elect to become employers whose employees are eligible for payment of disability benefits from the Unemployment Compensation Disability Fund.

SIMILAR BILLS?

AB 2815 (Kuehl) 2000.

If you support this legislation please send letters to:

Assembly Member Judy Chu
State Capitol, Room 5126
Sacramento, CA 95814

For more information, please contact Bill Wong at william.wong@asm.ca.gov.